

Financial Accounting Handbook for Local Education Agencies

When filling out the initial Online Grant Management System (OGMS) application create appropriate function and object codes for the anticipated grant activities. *Please review the examples of allowable and unallowable expenditures for the grant you are applying for since not all Object codes are applicable to all grants*

Description of Function Codes

1000 = Instruction General
2000 = Support Services -Students
2200 = Support Services - Instructional Staff
2212 = Instruction and Curriculum Development Services
2300 = Support Services - General Administration
2400 = Support Services - School Administration
3000 = Operation of Non-Instructional Services
4000 = Facilities Acquisition and Construction Services
5000 = Other outlays
5200 = Fund Transfers
5300 = Intergovernmental Agency Allocations

Description of Object Codes

100 = Personal Services - Salaries
200 = Personal Services – Employee Benefits
300 = Purchased Professional and Technical Services
400 = Purchased Property Services
500 = Other Purchased Services
580 = Travel
600 = Supplies and Materials
700 = Property, Equipment, Furniture, Fixtures, etc.
800 = Other Objects/Indirect Costs]
900 = Other Uses of Funds/Indirect Costs

Objects

This dimension is used to describe the services or commodity obtained as the result of a specific expenditure. There are nine major categories, each of which is further subdivided. Following are definitions of the object classes and selected sub object categories.

100 Personal Services—Salaries. Amounts paid to both permanent and temporary LEA employees, including personnel substituting for those in permanent positions. This includes gross salary for personal services rendered while on the payroll of the LEA's. The third position in this group of objects has been left unused (i.e. "O") so that a job classification code can be inserted by the LEA if desired. Used with all functions except 5000.

110 Salaries of Regular Employees. Full-time, part-time, and prorated portions of the costs for work performed by permanent employees of the LEA.

120 Salaries of Temporary Employees. Full-time, part-time, and prorated portions of the costs for work performed by employees of the LEA who are hired on a temporary or substitute basis.

130 Salaries for Overtime. Amounts paid to employees of the LEA in either temporary or permanent positions for work performed in addition to the normal work period for which the employee is compensated under regular salaries and temporary salaries above. The terms of such payment for overtime is a matter of State and local regulations and interpretation.

140 Salaries for Sabbatical Leave. Amounts paid by the LEA to employees on sabbatical leave.

200 Personal Services-Employee Benefits. Amounts paid by the LEA on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments and, while not paid directly to employees, nevertheless are part of the cost of personal services. The third position in this group of objects has been left unused (i.e., "O") so that a job classification code can be inserted by the LEA if desired. Used with all functions except 5000.

210 Group Insurance. Employer's share of any insurance plan .

211 Health Insurance. LEA's share of any local group health insurance.

212 Dental Insurance. LEA's share of any local group dental insurance.

213 Life Insurance. LEA's share of any local group life insurance.

214 Disability Insurance. LEA's share of any local disability insurance plan

219 Other Group Insurance. LEA's share of any local group insurance plan not classified above.

220 Social Security Contributions. Employer's share of social security paid by the LEA.

230 Retirement Contributions. Employer's share of any State or local employee retirement system paid by the LEA, including the amount paid for employees assigned to Federal programs.

231 State Retirement for Non-Teachers. LEA's share of state retirement for non-teachers.

232 State Retirement for Teachers. LEA's share of state retirement for teachers.

239 Other Retirement. LEA's share of other local retirement plan.

240 Tuition Reimbursement. Amounts reimbursed by the LEA to any employee qualifying for tuition reimbursement based upon LEA policy.

250 Unemployment Compensation. Amounts paid by the LEA to provide unemployment compensation for its employees. These charges may be distributed to functions in accordance with the salary budget.

260 Workers' Compensation. Amounts paid by the LEA to provide workers' compensation insurance for its employees. These charges may be distributed to functions in accordance with the salary budget.

270 Health Benefits. Amounts paid by the LEA to provide health benefits for its current employees or retired employees for whom benefits are paid.

290 Other Employee Benefits. Employee benefits other than those classified above. LEA's may establish sub-codes locally for various accrued amounts, such as "unused sick leave." Such amounts may be distributed to the functions according to the employee's assignment.

300 Purchased Professional and Technical Services. Services which by their nature can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, accountants, etc. It is recommended that a separate account be established for each type of service provided to the LEA.

310 Official/Administrative Services. Services in support of the various policy-making and managerial activities of the LEA. Included would be management consulting activities oriented to general governance or business and financial management of the LEA; school management support activities; election and tax assessing; and collecting services. Usually used with functions 2300, 2400.

311 Intermediate Educational Agency Services. The assessment for management services charged to the member LEA's.

312 Management Services. Services provided to assist management either in the broad policy area or in the general operation of the LEA.

313 Staff Management Services. Services which provide assistance in the employing and assignment of staff. This category includes specialists in personnel counseling and guidance.

319 Other Official/Administrative Services. Services not classified above.

320 Professional Educational Services. Services supporting the instructional program and its administration. Included would be curriculum improvement services, counseling and guidance services, library and media support and contracted instructional services. Usually used with functions 1000, 2100, 2200.

321 Professional Services for Instruction. Services provided by persons directly engaged in providing learning experiences for pupils. Included are the services of teachers and paraprofessionals and "performance contract" activities.

322 Professional Services for Instructional Program Improvement. Services provided to assist teachers and supervisors with the improvement of quality of the teaching process. This category includes curriculum consultants and in-service training specialists not on the regular payroll.

323 Professional Services for Pupils. Services provided to assist pupils and their parents in solving mental and physical problems. This activity does not include instruction, but is a supplement to the teaching process. Health care services are included in this category which is usually used with function 2100.

329 Other Professional Educational Services. Services not classified above.

330 Other Professional Services. Professional services other than educational supporting the operation of the LEA. Included are medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, dietitians, editors, negotiations specialists, systems analysts, planners, and the like. Usually used with function 2000.

340 Technical Services. Services to the LEA which are not regarded as professional, but require basic scientific knowledge, manual skills, or both. Included are data processing services, purchasing and warehousing services, graphic arts and the like.

400 Purchased Property Services. Services purchased to operate, repair, maintain, and rent property owned or used by the LEA. These services are performed by persons other than LEA employees. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

410 Utility Services. Expenditures for utility services other than energy services supplied by public or private organizations. Water and sewerage are included here. Telephone and telegraph are not included here but are classified under object 530. Used only with function 2600.

411 Water/Sewerage. Expenditures for water/sewage utility services from a private or public utility company.

419 Other Utility Services. Utility services not classified above.

420 Cleaning Services. Services purchased to clean buildings and grounds (apart from services provided by LEA employees). Used only with function 2600.

421 Disposal Services. Expenditures for garbage pickup and handling not provided by LEA personnel.

422 Snow Plowing Services. Expenditures for snow removal not provided by LEA personnel.

423 Custodial Services. Expenditures to an outside contractor for custodial services.

424 Lawn Care. Expenditures for lawn and grounds upkeep, minor landscaping, nursery services and the like not provided by LEA personnel.

429 Other Cleaning Services. Cleaning services not classified above.

430 Repairs and Maintenance Services. Expenditures for routine repairs and maintenance services not provided directly by LEA personnel. This includes contracts and agreements covering the upkeep of buildings and equipment. **Costs for renovating and remodeling are not included here but are classified under object 450.**

440 Rentals. Costs for renting or leasing land, buildings, equipment and vehicles.

441 Rental Land and Buildings. Expenditures for leasing or renting land and buildings for both temporary and long-range use by the LEA. Used with function 2620 and appropriate program code.

442 Rental of Equipment. Expenditures for leasing or renting equipment for both temporary and long-range use by the LEA. This includes lease/purchase arrangements and similar rental agreements for copy machines, lathes, drill presses and other complex equipment.

443 Rental of Vehicles. Expenditures for leasing or renting vehicles for both temporary and long-range use by the LEA. This includes bus and other vehicle rental when operated by a local LEA, lease-purchase arrangements, and similar rental agreements. Usually used with function 2630 or 2700.

444 Rental of Computers and Communications Equipment. Expenditures for leasing or renting equipment for both temporary and long-range use by the LEA. This includes lease-purchase arrangements and similar rental agreements for computers, networking equipment, PBX and other voice networks, satellite and similar equipment.

449 Rental of Other Equipment. Expenditures for leasing or renting equipment not classified above.

450 Construction Services. Includes amounts for constructing, renovating and remodeling as part of major capital projects. Used only with functions 4500, 4600. Small and routine projects are classified as 430.

490 Other Purchased Property Services. Purchased property services which are not classified above. Costs for telephone and telegraph are not included here but are included in object 530. Usually used with function 2600.

500 Other Purchased Services. Amounts paid for services rendered by organizations or personnel not on the payroll of the LEA (separate from Professional and Technical Services or Property Services). While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

510 Student Transportation Services. Expenditures for transporting children to and from school and other activities. Used only with function 2700.

511 Student Transportation Purchased from Another LEA Within the State. Amounts paid to other LEA's within the State for transporting children to and from school and school-related events. These include payments to individuals who transport themselves or their own children or for reimbursement of transportation expenses on public carriers. Expenditures for the rental of buses which are operated by personnel on the LEA payroll are not recorded here but under object 442. Used only with function 2700.

512 Student Transportation Purchased from Another LEA Outside the State. Payments to other LEA's outside the State for transporting children to and from school and school-related events. Used only with function 2700.

519 Student Transportation Purchased From Other Sources. Payments to persons or agencies other than LEA's or Intermediate Educational Agencies for transporting children to and from school and school-related events. Used only with function 2700.

520 Insurance (Other Than Employee Benefits). Expenditures for all types of insurance coverage, including property, liability, and fidelity. Insurance for group health is not charged here but is recorded under object 200. Used with function 2310 or 2620.

530 Communications. Services provided by persons or businesses to assist in transmitting and receiving messages or information. Costs associated with the purchase or rental of related equipment are recorded as either 443, 734 or 738.

531 Voice Communications. Expenditures related to the operation and maintenance of voice communication through private or public networks.

532 Data Communications. Expenditures related to the operation and maintenance of data communication through private or public networks, including Internet access provider fees and line service charges. Costs associated with access to specific content should be classified as 642.

533 Video Communications. Expenditures related to the operation and maintenance of two-way video communication through public or private networks. Charges are not restricted to distance learning activities. Costs associated with access to specific content should be classified as 642.

534 Postage Fees. Postage and associated costs for mail carried by the US Postal Service.

535 Package Transport Services. Fees paid to private carriers of mail and packages. Freight charges should be classified with the equipment or supplies purchased and not this classification.

539 Other Communications. Costs related to communication not classified above.

540 Advertising. Expenditures for announcements in professional publications, newspapers or broadcasts over radio and television. These expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services are not recorded here but are charged to object 330. Usually used with functions 2300, 2500 or 2800.

550 Printing and Binding. Expenditures for job printing and binding, usually according to specifications of the LEA. This includes designing and printing forms and posters as well as printing and binding LEA publications. Preprinted standard forms are not charged here but are recorded under object 610.

560 Tuition. Expenditures to reimburse other educational agencies for instructional services to students residing within the legal boundaries of the paying LEA.

561 Tuition to Other LEA's Within the State. Tuition paid to other LEA's within the State.

562 Tuition to Other LEA's Outside the State. Tuition paid to other LEA's outside the State.

563 Tuition to Public Academies. Tuition paid to Coe-Brown and Pinkerton Academies. (*Revised August 2001*)

564 Tuition to Private and Other Schools. Tuition paid to private schools located either in NH or outside of NH and tuition to state or SAU operated programs. Include the cost of related services, but do NOT include room and board charges. (*Revised August 2001*)

565 Tuition to Intermediate Educational Agencies Outside the State. Tuition paid to Intermediate Educational Agencies or intermediate agencies of other states. (*Deleted August 2001*)

569 Residential Cost. Room and board for special education students, but do NOT include tuition. Cost reported using object 569 must have an associated cost reported in object 564. (*Revised August 2001*)

570 Food Service Management. Expenditures for the operation of a local food service facility by other than employees of the LEA. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by the LEA for food, supplies, labor and equipment would be charged to the appropriate object codes. Used only with function 3100.

580 Travel. Expenditures for transportation, meals, hotel, and other expenses associated with staff travel for the LEA. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here. Used with all functions except 5000.

590 Miscellaneous Purchased Services. Purchased services other than those described above. Any inter-district payments other than tuition should be classified here.

591 Services Purchased from Private Sources. Services purchased from any source other than an LEA and not otherwise classified in the 300, 400 or 500 series of objects. Used with all functions except 5000.

592 Services Purchased from Another LEA Within the State. Payments to another LEA within the State for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing and guidance. Where a question arises as to whether to code such payments to the 300 series of objects or to this code, 592 should be used so that all inter-district payments can be eliminated when consolidating reports from multiple LEA's at State and Federal levels.

593 Services Purchased from Another LEA Outside the State. Payments to another LEA outside the State for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing and guidance. Where a question arises as to whether to code such payments to the 300 series of objects or to this code, 593 should be used so that all inter-district payments can be eliminated when consolidating reports at the Federal level.

600 Supplies. Amounts paid for items that are consumed, worn out, or deteriorated through use; or items that lose their identity through fabrication or incorporation into different or more complex units or substances. Refer to the appendix for the criteria for distinguishing between a supply and an equipment item.

610 General Supplies. Expenditures for all supplies (other than those listed below) for the operation of an LEA, including freight and cartage. A more thorough classification of supply expenditures is achieved by identifying the object with the function—for example, audiovisual supplies or classroom teaching supplies. Used with all functions except 5000.

620 Energy. Expenditures for energy, including gas, oil, coal, gasoline, and services received from public or private utility companies.

621 Natural Gas. Expenditures for gas utility services from a private or public utility company.

622 Electricity. Expenditures for electric utility services from a private or public utility company.

623 Bottled Gas. Expenditures for bottled gas, such as propane gas received in tanks.

624 Oil. Expenditures for bulk oil normally used for heating.

625 Coal. Expenditures for raw coal normally used for heating.

626 Gasoline. Expenditures for gasoline purchased in bulk or periodically from a gasoline service station.

629 Other Energy. Expenditures for energy that cannot be classified in one of the foregoing categories.

630 Food. Expenditures for food used in the school food service program. Used only with function 3100. Food used in instructional programs is charged under object 610.

640 Books and Information Resources. Expenditures for the acquisition of information.

641 Books and Other Printed Media. Expenditures for printed media such as books, textbooks and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks, textbook binding or repairs, as well as textbooks which are purchased to be resold or rented. Also recorded here are costs of binding or other repairs to school library books. Used with all functions except 5000.

642 Electronic Information. Expenditures for information supplied on electronic media and available for general use. This category includes subscription services that deliver media periodically, but does not include access to on-line information services.

643 Information Access Fees. Expenditures related to the access of information available on-line. Fees for general access to the Internet or similar services as well as fees related to specific information resources are included.

649 Other Information Resources. Expenditures for information resources not classified above.

650 Software. Expenditures for acquisition of computer software: instructional programming office software of non capital nature. For capital items see object code 750.

700 Property. Expenditures for acquiring fixed assets, including land or existing buildings; improvements of grounds; initial equipment; additional equipment; and replacement of equipment.

710 Land and Improvements. Expenditures for the purchase of land and the improvements thereon. Purchases of air rights, mineral rights and the like are included here. Also included are special assessments against the LEA for capital improvements such as streets, curbs and drains. Not included here, but generally charged to objects 450 or 340 as appropriate, are expenditures for improving sites and adjacent ways after acquisition by the LEA. Used with governmental funds only. Used only with functions 4100, 4200.

720 Buildings. Expenditures for acquiring existing buildings. Included are expenditures for installment or lease payments (except interest) which have a terminal date and result in the acquisition of buildings, except payments to public school housing authorities or similar agencies. Expenditures for the contracted construction of buildings, for major permanent structural alterations, and for the initial or additional installation of heating and ventilating systems, fire protection systems, and other service systems in existing buildings are recorded under object 450. Buildings built and alterations performed by the LEA's own staff are charged to objects 100, 200, 610, and 730, as appropriate. Used with governmental funds only. Used only with function 4500.

730 Equipment. Expenditures for the initial, additional, and replacement items of equipment such as machinery, furniture and fixtures and vehicles. Used with governmental funds only.

731 New Machinery. Expenditures for new equipment usually composed of a complex combination of parts (excluding vehicles). Examples are lathes, drill presses, printing presses, etc. Usually used with functions 1000, 2600.

732 New Vehicles. Expenditures for new equipment used to transport persons or objects. Examples are automobiles, trucks, buses, station wagons, and vans. Usually used with functions 2630, 2700.

733 New Furniture and Fixtures. Expenditures for new equipment used for sitting; as a support for writing and work activities; and as storage space for material items. Used with all functions except 5000.

734 New Computers and Communications Networking Equipment. Expenditures for new equipment used for processing and storing data and components of voice, video and data networks used to manage the transport of information. This classification includes computers, video recording and editing equipment, PBX systems, and components of video and computer networks.

735 Replacement Machinery. Expenditures for replacing equipment usually composed of a complex combination of parts (excluding vehicles). Examples are lathes, drill presses, printing presses, etc. Usually used with functions 1000, 2600.

736 Replacement Vehicles. Expenditures for replacing equipment used to transport persons or objects. Examples are automobiles, trucks, buses, station wagons, and vans. Usually used with functions 2630, 2700.

737 Replacement Furniture and Fixtures. Expenditures for replacing equipment used for sitting; as a support for writing and work activities; and as storage space for material items. Used with all functions except 5000.

738 Replacement Computers and Communications Networking Equipment. Expenditures for replacing equipment used for processing and storing data and components of voice, video and data networks used to manage the transport of information. This classification includes computers, video recording and editing equipment, PBX systems, and components of video and computer networks.

739 Other Equipment. Expenditures for all other equipment not classified elsewhere in the 730 object series.

740 Depreciation. The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is apportioned over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense. In accordance with GAAP, using depreciation is required in proprietary funds only. Computing depreciation is optional in the general fixed assets account groups, but it would not be recorded there as an expense.

750 Capital Software Purchases. Expenditures of a capital nature for the acquisition of information management software or networking software.

800 Other Objects. Amounts paid for goods and services not otherwise classified above.

810 Dues and Fees. Expenditures or assessments for membership in professional or other organizations or payments to a paying agent for services rendered.

820 Judgments Against the LEA. Expenditures from current funds for all judgments (except as indicated below) against the LEA that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the LEA resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due. Used only with function 2310.

830 Interest. Expenditures for interest on bonds or notes. Used with functions 2513, 5100.

840 Contingency. This account is provided for budgeting appropriations. Expenditures to be paid from the contingency should be charged to the appropriate function and object classification.

890 Miscellaneous Expenditures. Amounts paid for goods or services not properly classified in one of the objects included above. Refunds of prior years' revenue are *charged* to this account.

900 Other Uses of Funds. This series of codes is used to classify transactions which are not properly recorded as expenditures to the LEA, but require budgetary or accounting control. These include redemption of principal on long term debt, housing authority obligations, and fund transfers. Used with governmental funds only.

910 Redemption of Principal. Outlays from current funds to retire serial bonds and long term loans. Used only with function 5100.

920 Housing Authority Obligations. Outlays from current funds to satisfy housing authority obligations of the LEA. A public school housing authority is a public or quasi-public corporation having power to issue authority bonds for public school purposes, construct public school buildings, lease public school buildings to local public school administrative units, or transfer title to such units. All expenditures of this nature are classified in this category. Used only with function 5100.

930 Fund Transfers. Includes all transactions conveying money from one fund to another without recourse. Generally, this takes the form of a transfer from the General Fund to some other fund. Used with all functions.

940 Payments to Escrow Agents